

# Department of Finance

## Performance Plan FY10

### Contribution to Montgomery Results

A Responsive, Accountable County Government

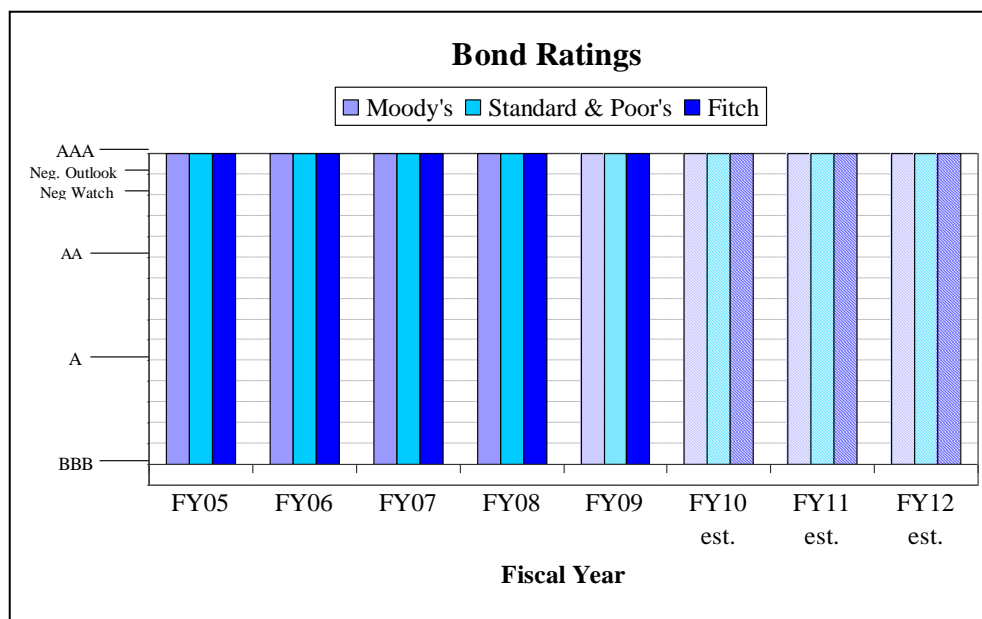
A Strong and Vibrant Economy

### Finance At-A-Glance

What Finance Does and for Whom	How Much
Overall Departmental Function: The mission of the Department of Finance is to prudently manage financial operations, recommend and implement sound fiscal policies, safeguard public assets, and encourage a safe environment on public property.	Total: \$58,319,410 Total: 109.4 WYs Total Employees: 126
<p>Major Function #1: Sound Financial Management</p> <p>Manage the County's revenues, expenditures, assets, investments, and outstanding debt.</p> <p>Develop and promulgate sound fiscal policies, and provide consultation and advice to departments and agencies on a wide range of fiscal matters.</p> <p>Advise the County Executive and County Council on fiscal policy matters, impacts of legislative actions, appropriate approaches to fiscal decisions, and benchmarking against other jurisdictions.</p> <p>Maintain the County's AAA bond rating.</p> <p>Actively manage the County's working capital.</p> <p>Identify bond refunding opportunities.</p> <p>Promote the County's procurement card program.</p> <p>Provide regular financial reports, revenue updates, economic updates and</p>	<p>\$5,387,780</p> <p>36.7 WYs</p> <p>Annually make a presentation to the three major bond rating agencies and provide updates as necessary.</p> <p>Raise \$550 million in debt and lease financings for operating and capital budgets.</p> <p>Regularly review opportunities for bond refundings in conjunction with market changes.</p> <p>Invest the County's \$700 million average balance investment portfolio.</p> <p>Produced savings of over \$8 million from Fall 2009 bond refunding.</p> <p>Process 27,000 procurement card transactions generating \$23,000 in rebate revenue.</p> <p>Produce 800 grant reports.</p> <p>Produce all financial reports in accordance with applicable standards.</p> <p>Annually receive the GFOA certificate</p>

<p>continuing disclosure for County bonds.</p> <p>Achieve the GFOA Certificate of Achievement for Excellence in Financial Reporting.</p>	<p>for the CAFR.</p>
<p>Major Function #2: Customer Service</p> <p>Provide services to external and internal customers such as taxpayers, vendors, employees, and core business system users through the processing of payments and receivables, answering customer inquiries and providing proactive communications to the County's residents, taxpayers, and to our internal and external business partners.</p>	<p>\$4,950,850</p> <p>44.7 WYs</p> <p>Bill 360,000 property tax accounts, collecting \$1.4 billion in property tax revenue.</p> <p>Mail 27,000 delinquency notices and reminders.</p> <p>Answer 55,000 telephone and 3,000 email inquiries made to the Treasury call center, and serve 3,000 visitors.</p> <p>Process 64,000 transfer office transactions.</p> <p>Process over 98,000 cashier transactions.</p> <p>Issue 255,000 paychecks and payroll advices.</p> <p>Issue 154,000 vendor payments and process 27,000 procurement card transactions.</p> <p>Prepare 6,300 payment vouchers.</p> <p>Prepare 4,200 and review and post 9,006 journal entries.</p> <p>Support 1,265 users of County Core Business Systems, and process 2,500 service requests from users.</p>
<p>Major Function #3: Promote a Safe &amp; Healthy Work Environment</p> <p>Ensure the safety of our employees, volunteers, and visitors through the promotion of a safe and healthy work environment for County employees.</p>	<p>\$47,980,780</p> <p>28.0 WYs</p> <p>Conduct 162 training classes.</p> <p>Review 200 self-inspection reports.</p> <p>Review 8,296 contracts for adequate insurance coverage.</p> <p>Use County leverage and industry knowledge to avoid excess insurance costs.</p>

## Performance Headline Performance Measure #1: Bond Rating



### Story Behind the Performance

#### Contributing Factors

Finance actively seeks to keep the rating agencies apprised of economic and revenue conditions in the County and in the region.

Finance promotes policies that help maintain the bond rating.

Finance works with OMB and other agencies that contribute to maintaining the bond rating.

A strong economy, locally, regionally and nationally.

#### Restricting Factors

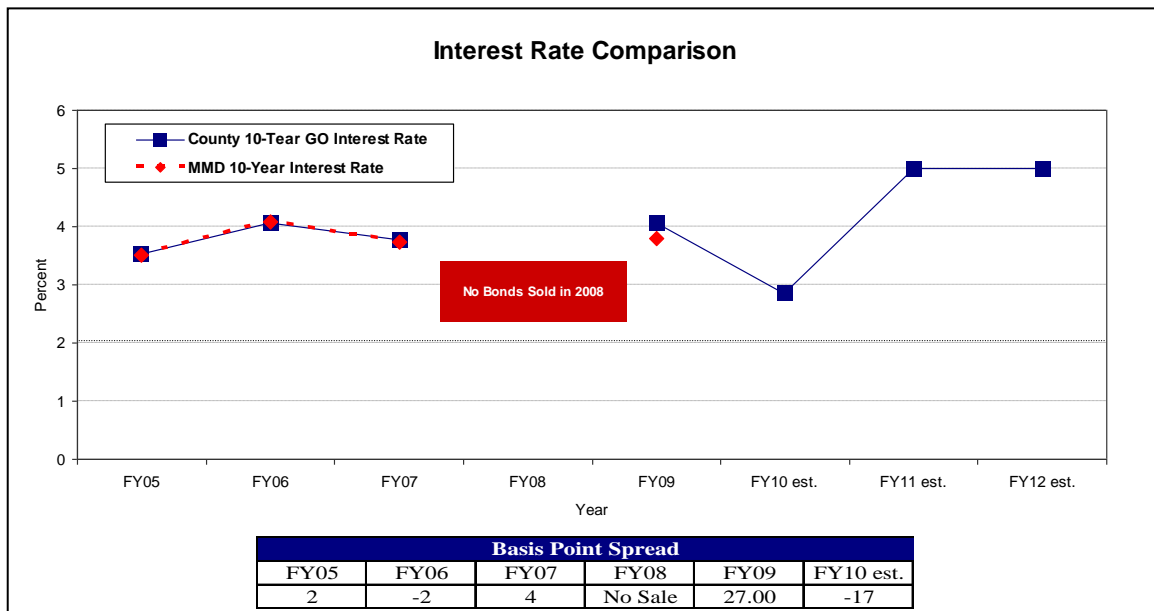
A struggling economy, resulting in a lack of revenues.

Policy actions inconsistent with the Department's sound advice.

#### What we propose to do to improve performance

Develop improved communication tools, such as economic indicator dashboard and focused November Revenue Update presentation, to educate decision makers on the fiscal workings of the County and the impact of various policy decisions.

## Headline Performance Measure #2: Interest Rate Benchmarking



### Story Behind the Performance

#### Contributing Factors

Sound financial management and reputation.

Multi-year fiscal planning.

Stability in the bond markets.

Demand for high quality municipal bonds.

#### Restricting Factors

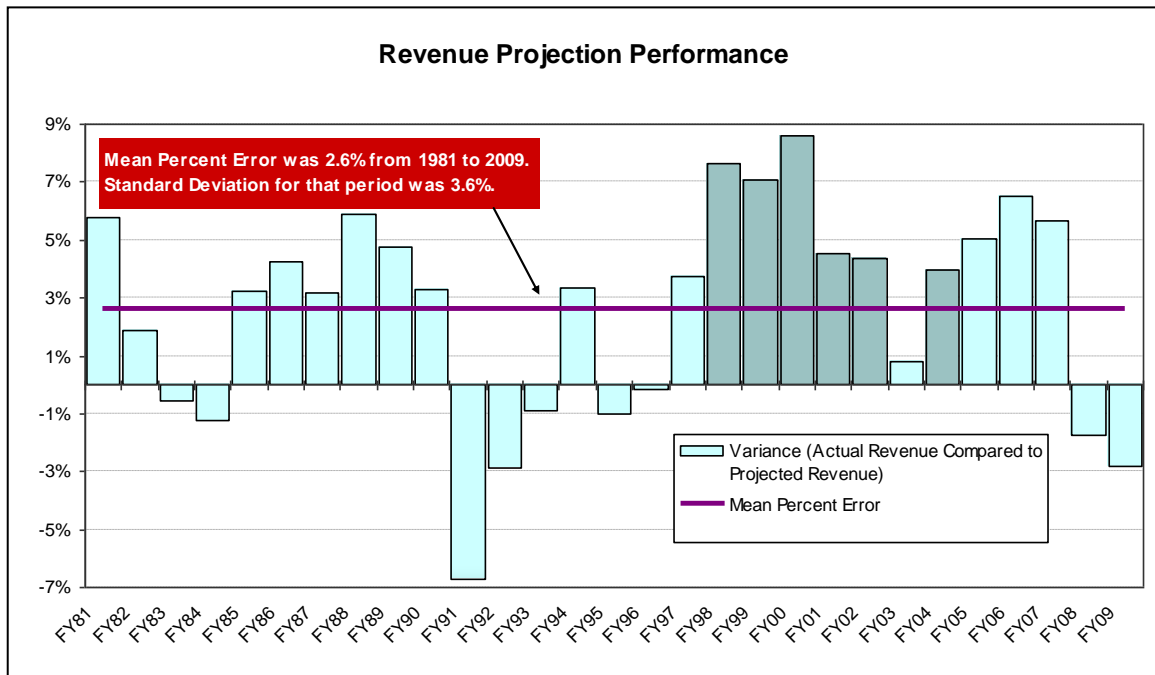
Volatility in the bond markets.

#### What we propose to do to improve performance

Continue to advocate for fiscal policies and budget strategies that allow the County to access the lowest possible interest rates.

Continue to identify refunding opportunities as they occur.

### Headline Performance Measure #3: Revenue Forecasting



## Story Behind the Performance

### Contributing Factors

Review additional data to perform independent and comprehensive forecasting of key economic indicators.

Perform quarterly budget surveillance for all departments.

Monitor revenue sources and perform intra-year updates.

Stable growth in the underlying economy.

Holding fiscal policy constant over time.

Current and reliable demographic, economic, and financial data.

Foreseeable changes to federal, state, and local tax policies.

### Restricting Factors

Additional duties and assignments detract from research and revenue forecasting activities.

Unanticipated changes...

in national economic and financial activity,

in international economic and financial activity,

in federal procurement and employment,

in County, federal and state tax policies,

in socioeconomic characteristics of the County's population.

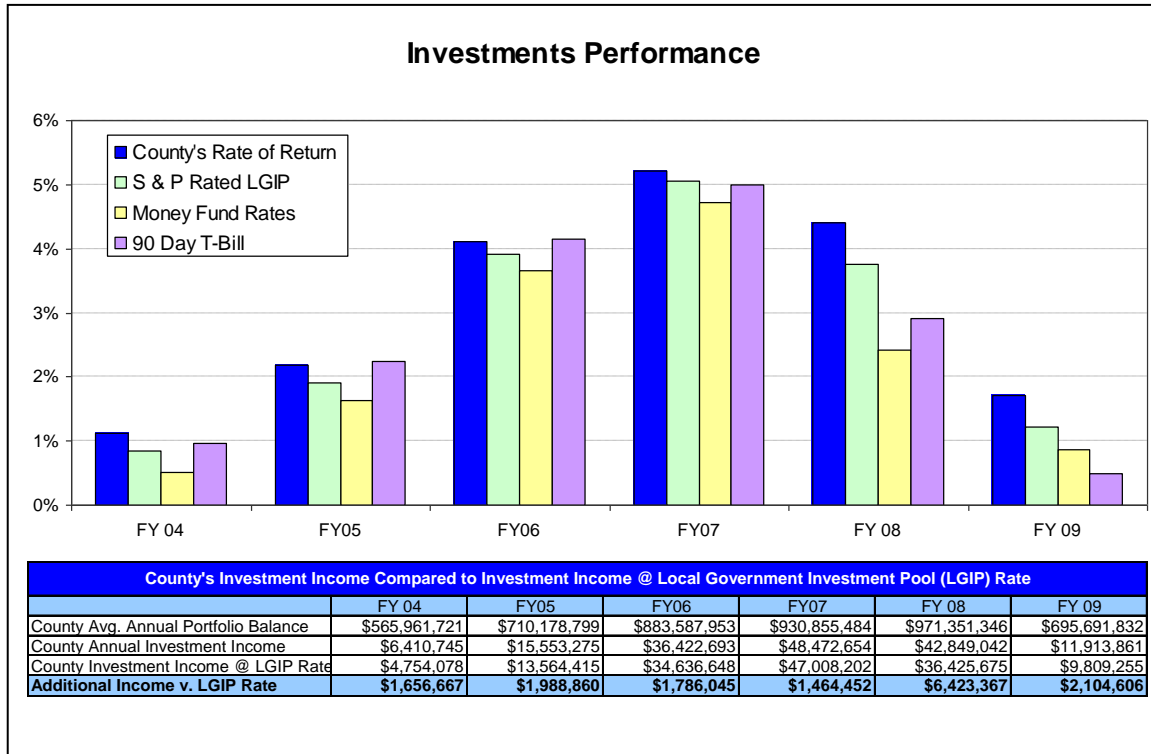
in money market interest rates resulting from policies of the Federal Reserve System.

Revisions to baseline economic and financial data by external sources

What we propose to do to improve performance

Continue to identify sources of supplementary information, such as additional detail on income taxes from the State Comptroller that can help improve understanding of revenue distributions and add to the accuracy of future revenue projections.

## Headline Performance Measure #4: Investment Returns Benchmarking



## **Story Behind the Performance**

### **Contributing Factors**

Actively manage the County's portfolio

Maintains a formal Investment Policy.

Good, timely information from sources.

### **Restricting Factors**

The level of staffing limits the research that could be done to enhance performance.

Additional duties and assignments detract from dedication to investment activities.

Unanticipated changes...

in national economic and financial activity,

in international economic and financial activity,

to money market interest rates resulting from policies of the Federal Reserve System.

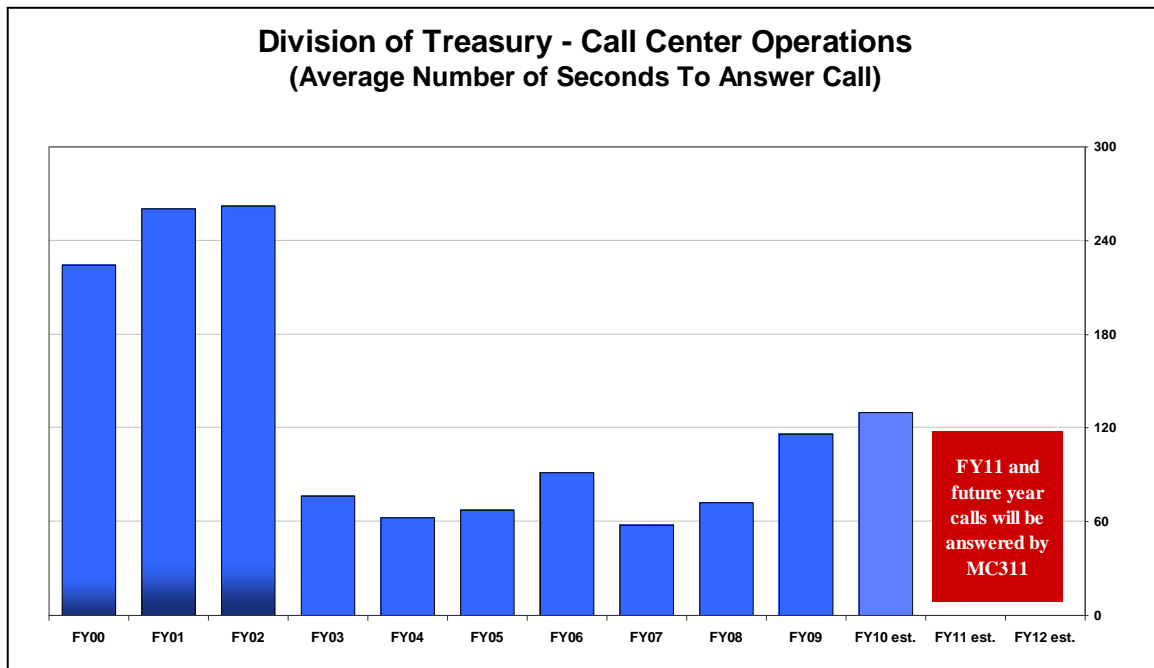
Revisions to baseline economic and financial data by external sources serve to reduce the accuracy of revenue projection

### **What we propose to do to improve performance**

In the current economy and liquidity situation, we are severely restricted from obtaining higher returns. This situation will likely continue through FY10 and into FY11.



## Headline Performance Measure #5: Number of Seconds to Answer Calls (Treasury Call Center)



### Story Behind the Performance

#### Contributing Factors

Cross-training within the Division of Treasury to ensure that the number of call-takers is always adequate.

Promote public outreach and web-based tools and information to manage the number of calls received.

Minimal changes to tax policy result in fewer questions by taxpayers.

#### Restricting Factors

Increasing complexity and changes in tax law generating confusion and questions from taxpayers.

Changes in assessments causing a rise in calls or emails.

Errors occurring in payment processing company.

Errors in property tax program (Munis) maintained by third-party vendor.

Outdated and inflexible financial billing and collection system limits the County's ability to respond to special requests for billing services from departments, agencies, and other governmental entities.

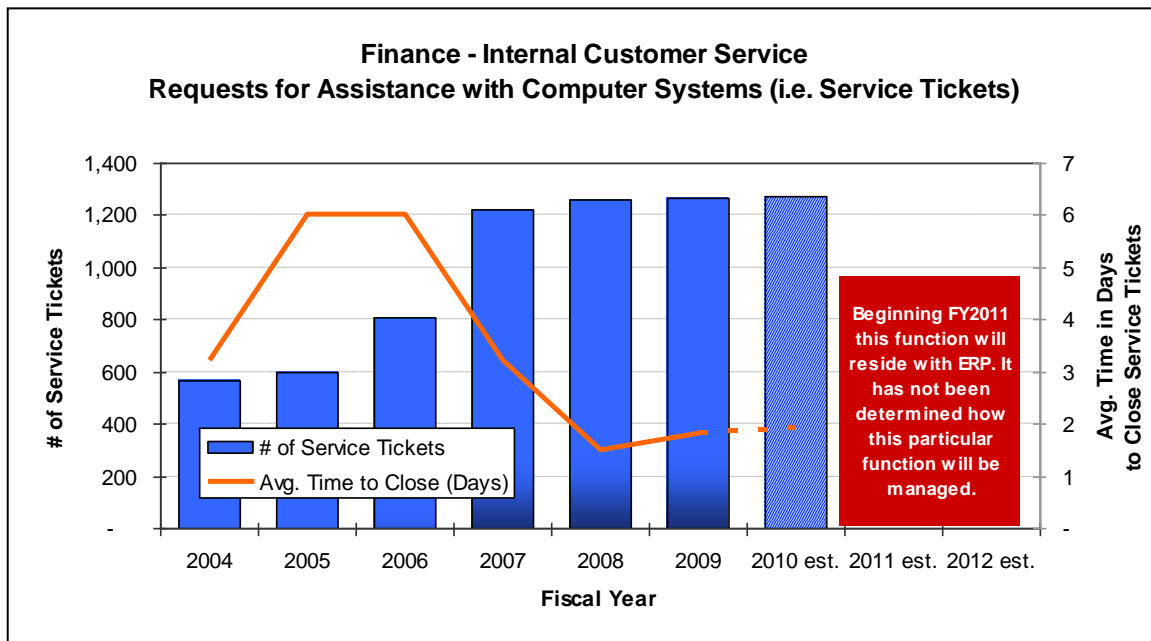
Savings plans over the years have reduced ability to make technology improvements.

Economic and financial conditions that affect taxpayers' ability to pay property taxes.

What we propose to do to improve performance

With the reduction of two-thirds of our call center in FY10, we will be challenged to, but will strive to maintain performance at prior levels for those calls still directed to Treasury.

## Headline Performance Measure #6: Number of Days to Close Service Tickets



### Story Behind the Performance

#### Contributing Factors

Newer Systems Control staff members have gained a good understanding of how FAMIS and ADPICS function and are now able to independently handle service requests and resolve problems.

Two Systems Control staff member have over five years of Systems Control experience and are subject matter experts. However, these staff members are detailed full-time to Tech-Mod projects and have limited availability to support to Systems Control.

Systems Control continues to enhance reference material to document and standardize routine processes and to provide resolution steps for common problems.

DTS continues to contribute to good performance. The Mainframe team has a great deal of knowledge and expertise with these legacy systems and they continue to provide timely assistance in researching and resolving problems as requested by Systems Controls.

#### Restricting Factors

The level of staffing for Systems Control limits the ability to consistently respond to service request and problem tickets in a timely manner.

Two staff members having over five years of Systems Control experience and expertise are now detailed full-time to Tech-mod projects.

Systems Control is now staffed with one full-time analyst, who has been in her position for less than a year, and part-time by the Finance IT Manager.

Limited resources allow for only one class per month for each of the five classes conducted by Finance. In preparation for the transition to ERP, FAMIS and ADPICS training will not be provided beginning January 2010.

New users have a difficult time grasping the accounting and systems concepts and require a lot of direct assistance. Some users call about the same topic multiple times because they are performing job functions that are not in their realm of expertise.

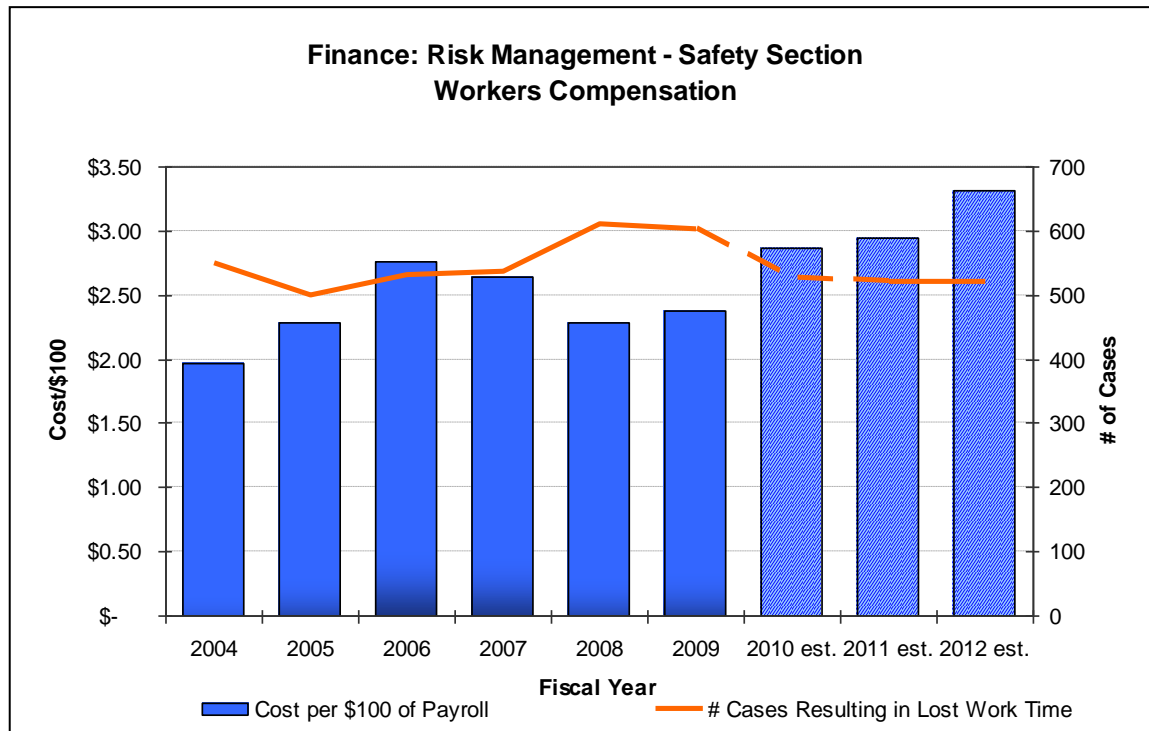
It is expected that ERP Project work will require much support from the Finance IT Manager during the 2<sup>nd</sup> half of FY10 which will limit availability to provide Systems Control support.

DTS support team members have become more involved with Tech-Mod projects and have limited availability to support these legacy systems.

What we propose to do to improve performance

With the dedication of staff to the ERP, CRM, and MCtime projects in FY10, we will be challenged to, but will strive to maintain performance at prior levels.

**Headline Performance Measure #7: Workers Comp – Cost per \$100 of Payroll;  
and Measure #8: Number of Workers Comp Cases Resulting in Lost Work  
Time**



Story Behind the Performance

### Contributing Factors

Conducts an annual self inspection of all facilities to identify potential hazards in the work environment and develops action plans to correct deficiencies.

Re-investigate injury reports to identify root causes and provide best practices guidance to departments to prevent reoccurrence.

Provide specific and timely training to employees on safety topics related to their job functions.

Cooperation and support from departments in ensuring the safety of the work staff and environment

### Restricting Factors

Management not taking responsibility, nor being held responsible, for failures in providing a safe work environment

Wage replacement benefits increase each year based on the State average weekly wage.

Recent legislation has expanded benefits for some Public Safety employees (Deputy Sheriff and Correctional Officers).

Medical Inflation is trending higher than other inflationary cost increases.

The Maryland Worker's Compensation Commission has trended in recent years towards granting higher awards of compensation for permanent partial disability benefits.

Departments are notified of their loss experience on a quarterly basis, but Safety Academy courses are under-utilized by departments who have experienced poor loss experience.

### What we propose to do to improve performance

Thanks to the focus on this issue through the CountyStat dedicated sessions, we have the opportunity to and will continue to work with Departments to address several of the restricting factors noted above.

## **Appendix A: Budget**

Reference budget for Technology Modernization projects.

## **Appendix B: Implementation**

Reference timeline for Technology Modernization projects.

## **Appendix C: Data Development Agenda**

Not applicable

### **ADDENDUM: Responsive and Sustainable Leadership**

Responsive and Sustainable Leadership has been the cornerstone of the County Executive's vision for Montgomery County government. To advance this vision, we have identified the following overarching goals for all County departments:

#### **Collaborations and Partnerships:**

Department actively participates in collaborations and partnerships with other departments to improve results beyond the scope of its own performance measures.

- The Department actively participates in opportunities for collaborations and partnerships, with the largest of all being the implementation of various projects under the TransformMCG set of initiatives.

#### **Innovations:**

Department actively seeks to be innovative in its efforts to improve performance.

- The Department continues to implement its own initiatives, such as ePayAdvice and outsourced vendor checks, as well as fundamental participation in the TransformMCG set of initiatives.

#### **Effective and Productive Use of the Workforce/Resources:**

Department actively works to effectively and productively use its workforce/resources, including, but not limited to, better management of overtime, implementation of productivity improvements, reduction of ongoing costs, and efficient use of other resources.

- Efforts to meet this goal have been a necessity during the implementation of major new systems and upgrades as part of the TransformMCG set of initiatives.

#### **Succession Planning:**

Department actively plans for changes in its workforce, in order to maintain continuity of services, develop staff capabilities, maintain and/or transfer knowledge, and enhance performance.

Recent staffing changes, backfilling, etc. as well as cross training have and will continue to help the Department in meeting this goal.

#### Internal Controls and Risk Management:

Department actively assesses its internal control strengths, weaknesses, and risks regarding compliance with laws and regulations, recording of financial transactions and stewardship over County assets. As subset of this goal, each department also manages risk pertaining to improving workplace safety, decreasing work-related injuries, and reducing County exposure to litigation.

These goals are part of the core mission of the Department of Finance

#### Environmental Stewardship:

Department actively makes appropriate changes to workplace operations, workflow, employee behavior, equipment use, and public interactions to increase energy-efficiency, reduce its environmental footprint, and implement other environmentally responsible practices.

The department is making even greater use of imaged communications, which is saving paper.